

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTHERN MADISON WATER)	
DISTRICT FOR AUTHORITY TO ISSUE A NOTE)	CASE NO.
AND MORTGAGE FOR THE PURCHASE OF REAL)	94-351
ESTATE, PURSUANT TO KRS 278.300)	

O R D E R

On October 6, 1994, Southern Madison Water District ("Southern Madison") filed its application seeking authority to issue a promissory note and mortgage of \$75,000 in conjunction with the purchase of real estate. The proposed indebtedness will carry a variable interest rate for a period not to exceed 180 months. The initial rate of interest will be 8.5 percent with the interest rates of remaining years to be determined according to the terms of the promissory note.

The proceeds will be used to acquire tract 5 of Berea Plaza as shown on a plat recorded at page 315 in Plat Book 8 in the office of the Madison County Clerk. The existing building located on the property has previously been utilized as a restaurant. The building is in generally good condition and is suitable to serve as Southern Madison's office headquarters.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the proposed financing plan is for lawful objects within the purpose of Southern Madison's utility operations, is necessary and appropriate for and consistent with the proper performance of its service to the public

and will not impair its ability to perform that service. It should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. Southern Madison be and it hereby is authorized to incur indebtedness of \$75,000 at a variable rate of interest, initially of 8.5 percent, for a period not to exceed 180 months.
2. Southern Madison shall agree only to such terms and conditions that are consistent with said parameters as set out in its application.
3. Southern Madison shall, within 30 days of the date of this Order, file with the Commission the final loan documents evidencing the terms and conditions of its loan.
4. The proceeds from the transactions authorized herein shall be used only for the lawful purposes set out in the application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof, as to the securities authorized herein.

Done at Frankfort, Kentucky, this 18th day of October, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner